UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

JEANNIE K. MAY,	)	
	)	
Plaintiff,	)	
	)	
v.	)	**No. 4:14-CV-578-TCM**
	)	
NATIONSTAR MORTGAGE, LLC,	)	
	)	
Defendant.	)	

JURY TRIAL
VOLUME 2

BEFORE THE HONORABLE THOMAS C. MUMMERT III
UNITED STATES MAGISTRATE JUDGE

NOVEMBER 17, 2015

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(Produced by computer-aided mechanical stenography.)

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(The following proceedings were held outside the hearing and presence of the Jury.)

MR. WALLACE: First thing to do on the record is one objection that they have remaining to Daniel Maestas, the doctor, her treating physician. I've tabbed a page here, which is page 61, lines 19 through 25.

THE COURT: Is this the situational anxiety guy?

MR. TILLOTSON: Yes, Your Honor. I just want to put on the record my objection to it.

THE COURT: Yeah. Okay. You're objecting to his diagnosis and the causation issue of situational anxiety?

MR. TILLOTSON: Correct, Your Honor, and I just want to add also that we renew our objection that the doctor should be required to be testifying live. I know you previously ruled.

THE COURT: I did. I overruled that objection.

MR. TILLOTSON: I want to make that prior to his deposition.

THE COURT: Fair enough.

MR. TILLOTSON: Thank you, Your Honor.

THE COURT: And anything else on the doctor's testimony? Just you want to, obviously, stick with your objection with the situational anxiety. I think I ruled on that on a motion in limine, and I'll stick with that ruling.

MR. TILLOTSON: Thank you, Your Honor. That's it.

THE COURT: All right. Thank you for bringing it up.

MR. WALLACE: The only other issue doesn't need to be on the record.

THE COURT: Okay.

(An off-the-record discussion was held in open court outside the hearing and presence of the Jury.)

(The following proceedings were held in open court.)

MR. TILLOTSON: Your Honor, Jeff Tillotson on behalf of Nationstar, the Defendant. We would move the Court for reconsideration of the motion in limine filed by Plaintiff that was granted barring any mention of settlement negotiations, mediation, or the fact of settlement under Rule 408. We'd ask the Court to allow us to put on two bits of evidence from our witness, corporate rep, Mr. Loll. The first is that Nationstar attempted to resolve this dispute with the Plaintiff prior to this court proceeding here today, and second, that the parties --

THE COURT: When you say "prior," are you talking after the lawsuit was filed?

MR. TILLOTSON: After the lawsuit was filed but before the trial today.

THE COURT: Let me -- okay. So let me -- I want to get this straight. I heard yesterday -- don't -- you guys, you've lived with this case for a couple of years, and I have not. Well, I have, but not to the extent that you have, and I heard yesterday from -- I guess in opening statement -- from the Plaintiff that it wasn't until March of 2015 that the Defendants -- the Defendant finally acknowledged that they had made this error. Is that accurate?

MR. TILLOTSON: No, Your Honor. There was acknowledgment in letters to her in 2014, both in May and October, that errors had been made on her account. I think it wasn't until May 2015 when all errors were fixed in connection with Mr. Loll being deposed.

THE COURT: Okay. So my question -- I asked that question to follow up with your request. Tell me when Mr. Loll came to the Plaintiff and, I guess, her attorney. By that time, he would have had to go to the lawyers.

MR. TILLOTSON: Mediations. We had to. The Court ordered us to go to mediation.

THE COURT: Oh, the mediation. Yeah. If you're asking for me to allow you to get into Court-ordered mediation, that's -- I'll stick with my ruling that that's going to be excluded.

MR. TILLOTSON: May I just say that we made an effort to settle or resolve the dispute outside of this courtroom today? Because the Jury may be wondering, "All right. You said you made a mistake. You said you fixed it. Have you done anything to help her or offer anything about it?" And by the time that took place, we were in litigation and we were under Court order to go to mediation, which is the vehicle we have to do it. I won't mention the word "mediation."

THE COURT: Boy, I've never heard of that ever coming in in a trial in my experience. It would -- I -- I could -- I could see it on the other side, and maybe not in this case, but where some sort of a nuisance value offer has been made by the Defendant. You certainly wouldn't -- the Plaintiff certainly wouldn't be allowed to let that in, and your offer may be substantial. I don't know anything about whatever offer you guys made, but I think I'd be on real dangerous ground with the Court of -- I'm sure you're objecting to this?

MR. WALLACE: Absolutely, Your Honor. I agree. I think we open a Pandora's box, and exactly what the rule is there for is to -- I mean --

THE COURT: Yeah.

MR. TILLOTSON: May I? I don't want to get into any offer that was made or the dollar amount or the vehicle it was done through, which is mediation, but just that Nationstar did make an effort to resolve this dispute with her, and the reason I would ask it is that they have -- in opening -- have said we didn't listen; we didn't get it; we didn't fix it until May of 2015 when in fact we had sought to resolve it with her prior to May of 2015 through mediation.

THE COURT: I understand your argument, and I understand why you want it in, and there's a little bit of me that understands that more in this case than in others because, quite frankly, if the evidence continues to come in like this, I haven't seen a thing going right from your side yet. So I mean --

MR. TILLOTSON: It's coming. It's coming.

THE COURT: Yeah. Well, it would have to. Those two witnesses were amazing. It makes me want to go home and check my mortgage, but at any rate, the -- I think if I start letting you all get into the settlement discussions -- and that's what you're talking about here -- that's -- I would be on dangerous ground. I tell every jury after the trial is over that the reason we tried this case is because the parties couldn't resolve the case, they tried to settle it and they couldn't, and that's why there was a trial, but I certainly don't think that's something -- that may be some common sense things they're thinking about now, but it's nothing we're letting in evidence. So I'll stick with my ruling. Your motion is denied.

MR. TILLOTSON: Okay. I just want to make a brief offer of proof that if allowed we would offer into evidence that Nationstar attempted to resolve this dispute with Ms. May in both December of 2014 and again in the summer of 2015 but that the parties were unsuccessful in that.

THE COURT: Yeah, but, again, this is after the lawsuit is filed. This is not -- you didn't try to resolve

this before somebody filed a lawsuit against you.
MR. TILLOTSON: Correct, Your Honor.
THE COURT: And isn't that the purpose of the rule?
MR. TILLOTSON: Yeah. Well, no. The purpose of the rule is to -- is actually, to protect me, that the jury wouldn't think I'm liable because I offered her money, and so I'm not offering it to show liability because I've effectively said we screwed up. What I'm offering it to show is rebut the Plaintiff's case, which is "You don't care. You've never tried to help her. You've never tried to fix this until very late in the game." That's why I'm offering it. It's really in response to what they did, and that's why I'm seeking to offer it.
THE COURT: Okay. I'll stick with my ruling.
MR. TILLOTSON: Thank you, Your Honor.
THE COURT: Anything else?
MR. WALLACE: The only other thing is I'd move for admission -- but I think you probably want me to do that in front of the Jury -- of some exhibits that were dealt with yesterday.
THE COURT: You don't really have to, you know, before the Jury. I didn't keep track of any of those because I didn't really --
MR. WALLACE: Understood.
THE COURT: It's hard from a deposition standpoint.

MR. WALLACE: Yes.

THE COURT: I don't know what you guys are talking about. So at the end of your case, what I would suggest we do is let's go -- between me and the deputy clerk and you, we'll go through each exhibit -- and the Defendants certainly to agree -- that every exhibit you've attempted to introduce has been actually viewed by a witness.

MR. WALLACE: Okay.

THE COURT: Make sure we're all on the same page, and if at some point you want to make an announcement in front of the jury, you certainly can do that.

MR. WALLACE: Yes. And I did speak with counsel about doing this this way.

THE COURT: Yeah.

MR. WALLACE: And we have an agreement as to which ones could come in at this point.

THE COURT: So --

MR. WALLACE: But if you want -- I prefer -- whatever you want me to do, I'll do.

THE COURT: Yeah, we'll just -- we'll make -- again, I don't have a -- I understand why a party would want the Jury to hear that exhibits are coming in, and we'll do that in front of them, but we really need to do that informally ahead of time to make sure that we're all on the same page, and now that I know this, when you were talking to your witnesses about -- the witnesses that are being videotaped -- about exhibits, are they the same numbers that you're using here?

MR. WALLACE: They're close, but what I thought I would do is -- in the list here, it tells which depo exhibit -- I think a cross-reference, if we prepared a chart that said this is trial exhibit; this is depo exhibit.

THE COURT: Yeah. Right. Well, I'm not going to keep track then because --

MR. WALLACE: I'll do it.

THE COURT: -- there are two different numbers. You need to keep track.

MR. WALLACE: I'll do it.

THE COURT: And at the end of it, well, hopefully, you and the Defendants are on the same page.

MR. WALLACE: Yes, yes.

MR. TILLOTSON: I don't have a problem with that.

THE COURT: And the Defendants have the same -- can do the same thing.

MR. WALLACE: Thank you.

THE COURT: All right. Guys, thanks. Is there anything else?

MR. WALLACE: No, Your Honor.

THE COURT: All right. All right.

(Court recessed from 8:51 a.m. until 9:11 a.m.)

(The following proceedings were held within the hearing and presence of the Jury.)

THE COURT: Okay. Morning, ladies and gentlemen.

JURORS IN UNISON: Morning.

THE COURT: Okay. Mr. Wallace, are you ready to proceed?

MR. WALLACE: Yes, sir, Your Honor.

THE COURT: You may.

MR. WALLACE: Next witness is going to be Andrea Kimbuta.

THE COURT: Okay.

MR. WALLACE: And the deposition video trial testimony here is about an hour and one minute, I believe.

THE COURT: Great. Thank you.

(Video deposition of Andrea Kimbuta played.)

MR. WALLACE: Next witness, Your Honor, will be Paul Muller, an employee of Nationstar, and it will last 21 minutes, I think.

THE COURT: Are we okay for that, folks? Do you want a break? Okay. We'll do that and then take a break after that. Okay.

(Video deposition of Paul Muller played.)

THE COURT: Okay. Thank you. Okay. Ladies and gentlemen, we're going to take a break. Again, you're instructed not to discuss the case. Don't form or express any opinions about the case. Don't let anyone discuss the case in your presence. We'll bring you back in about 15 minutes. Thank you.

(Court recessed from 10:32 a.m. until 10:51 a.m.)

(The following proceedings were held within the hearing and presence of the Jury.)

THE COURT: Okay. You may proceed.

MR. WALLACE: Your Honor, our next witness will be the corporate representative for Nationstar, Mr. A.J. Loll, the first segment, and this one is two hours and 45 minutes. That will take us through the morning.

THE COURT: Yeah. We're going to break a little bit before noon. I have a criminal matter literally at noon, so I'm going to get you guys out of here, so I can take that, and we'll break for lunch. Okay. Thanks.

(Video deposition of Andrew J. Loll played.)

THE COURT: Mr. Wallace, this might be a decent time to break. I'm sorry to interrupt the depo, but anyway, we have to do it at some point, I suppose. We're going to take our lunch break. I'm going to have you back. I'm going to try to be done with everything I've got and grab something to eat and be back here by 1:00. So if you all would do that, it would be helpful. Again, you're instructed not to discuss the case. Don't form or express any opinions about the case. Don't let anyone discuss the case in your presence.

Counsel, before we break, is there a specific time you want me to read this stipulation?

MR. TILLOTSON: Just with the rest of the stipulations. Maybe at the end of the case.

THE COURT: Fair enough.

MR. WALLACE: That's good.

THE COURT: Yes. Good. And you all can leave. You're excused. I'm sorry. Go ahead.

(Court recessed for lunch from 11:50 a.m. until 1:04p.m.)

(The following proceedings were held within the hearing and presence of the Jury.)

THE COURT: Mr. Wallace, you may continue with the deposition of Mr. Loll.

MR. WALLACE: Thank you.

(Video deposition of Andrew J. Loll played.)

MR. WALLACE: Next installment.

THE COURT: Thanks.

(Video deposition of Andrew J. Loll played.)

THE COURT: Is that it?

MR. WALLACE: No, not for him. We've got a little bit more, but I don't know if you want to start it.

THE COURT: How much are you -- define "a little."

MR. WALLACE: 1:23.

THE COURT: I think I can handle another 23. All right.

MR. WALLACE: An hour and 23.

THE COURT: Oh. Of this witness?

MR. WALLACE: Yes, sir. Yes, sir.

THE COURT: I'm sorry. I thought you were -- oh, I got it. All right. We'll take a break.

Ladies and gentleman, you're instructed not to discuss the case. Don't form or express any opinions about the case. Don't let anyone discuss the case in your presence. We'll call you back in about 15 or 20 minutes. Twenty minutes.

(Court recessed from 2:52 p.m. until 3:12 p.m.)

(The following proceedings were held within the hearing and presence of the Jury.)

THE COURT: Okay. These breaks go short, don't they? Doesn't seem like 20 minutes to me. Damn it.

All right. We will -- Mr. Wallace, are you ready to go with your next witness?

MR. HUMPHREYS: Yes, Your Honor. We are going to call Mr. Loll live and dispense with the recording in an effort to speed this along.

THE COURT: Okay. Mr. Loll, you want to step forward and be sworn in.

(Witness sworn.)

THE COURT: Mr. Loll, do me a favor and get closer to that microphone. It's a little inconvenient.

THE WITNESS: Yes, Your Honor.

THE COURT: There you go. Thank you.

THE WITNESS: Is that better?

THE COURT: I think so. Thank you.

You may proceed, Mr. Humphreys.

ANDREW J. LOLL,

HAVING BEEN FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

DIRECT EXAMINATION

BY MR. HUMPHREYS:

Q Well, Mr. Loll, I feel like I already know you, but would you mind introducing yourself to the Jury for us, please?

A My name is A.J. Loll. I'm a vice president with Nationstar Mortgage. Been there for 15 years. I'm currently in the position of Vice President of Litigation Support.

Q Thank you. Sir, if I understand your company's position, your belief is that you made -- there was some human error here? Just a simple mistake is how this whole thing started?

A I wouldn't categorize them as simple mistakes. They're pretty serious mistakes from -- from -- when you look at the whole picture, these weren't minor mistakes. These were mistakes that had major impact.

Q I guess human error is what I was getting at.

A Yes, there was human error mistakes.

Q Okay. And I get that. People make mistakes. Human beings are capable of doing that. What I want to focus on is what's going on at Nationstar and why it took so long for these mistakes to get identified and fixed. Don't you see a bigger problem here than simple human error? Excuse me. If you don't like the word "simple", don't you see something going on here that's bigger than just human error?

A Part of my role as litigation support is based on my years of experience with the company, and I've been an executive in almost every part of servicing, and you're right. There is a bigger picture here, and what I took away from my investigation of this account, my interview with employees and managers, and department procedures, there is more than just a simple mistake. I recognize we have to do a better job at training our -- our SPOCs that also talked to Ms. May, and they need to understand what their roles are. We have to do a better job at escalating a situation like Ms. May so a vice president gets involved. Vice presidents have a lot more authority. Even if they think that the borrower is wrong, vice presidents have the financial authority to do adjustments up to 6,000 or even up to $10,000. If we review the history and we feel that in the customer's eyes they truly believe they're right, we can make an executive decision at our level to just fix it, and we need to do a better job of escalation. We need to do a better job, and we've addressed some of our deficiencies that I identified through my investigation. How monies are requested from prior servicers -- I feel like we've locked that down. We also put measures in place and procedures that if money is to be adjusted off of an account, it's generated by a vice president or higher to the cash management group, and the cash management group sends a response to that person where you approve it, and they send another response that it's been completed. So you have at least an officer level or above reviewing situations like Ms. May. You wouldn't have had bankruptcy specialist to bankruptcy specialist. That would have required either the Senior Vice President of Bankruptcy or the Vice President of Bankruptcy to review that transaction, and I would have hoped that they would have rejected doing any adjustments to anyone's account because the accounts had been seasoned for years. The logistics of trying to notify all those customers of all those changes and explain to them -- for $6,000 approximately, it would have been much easier just to write a check out of our own expenses just to reimburse if the trustee was looking for reimbursement or if other accounts needed reimbursed, but, yeah, I saw bigger pictures. Yes, it was human error, but those human errors that I identify in my procedures, I make policy changes, and I try to make our company a better servicer tomorrow than we were yesterday.

Q Okay. Well, what I'm trying to get at here is that it's more than just human error. There are conscious business choices being made here to deliberately save money and not

provide the level of service that is necessary to prevent this situation from taking place; isn't that true?
A I would disagree. Can you give me an example of where you're -- where you're directing that? We're cutting areas to -- to --
Q Well, okay. Sure. I'd be happy to share that with you. Now, your lawyer came in here and gave a very clear opening statement that you made some mistakes and the mistakes that were identified that were going to be fixed so that this will, quote, "never happen again" were, one, having a vice president in cash approve certain transactions and, two, having a vice president in bankruptcy approve certain transactions. Isn't that true?
A In addition, we --
Q Isn't that what he said the fixes were that needed to be put in place to make sure this never happens again? Isn't that true?
A No. What the -- the case of Jeannie May involves more --
Q Are you answering my question?
A You're asking me, "Isn't that true?"
Q Isn't that what your lawyer said in opening statement? Yes or no?
A No, no, he didn't. He brought up -- he showed you screens because part of the issues were the -- how we recorded credit report --

Q Okay. We're focusing on what your lawyer said in opening statements. Stay with me.

A He did. He did. He showed the check first. Then he showed the things that we erred when we tried to resolve it. He also showed credit, the credit reporting, because Ms. May had issues with her credit reporting. So there was more than just that issue of the check that he gave in his opening statement. He gave a slide show that incorporated all the areas that we felt needed to be addressed.

Q So the answer is no; credit reporting was also raised in the opening statement? Is that your testimony?

A Yes.

Q And the credit reporting was, "We made an error in judgment. We should not have made the credit reporting worse. Going forward, we're not going to do that." That was what was said. Is that true?

A At the minimal, you would not make credit reporting worse.

Q Fair enough. Okay. But the three topics were the bankruptcy department, credit reporting, and cash, cash department. Isn't that true? That's what the procedure changes were?

A There was more changes. We also --

Q Well, tell me what your lawyer said in opening statement when he came out here to tell his story, your story, and say to this Jury, "We're making these changes here. We've made some mistakes." Let me ask you this. Did you hear your lawyer say anything about more training for the front line operations folks or anything of -- anything about the front line operators engaging in better communication or better training?

A I didn't hear my attorney, but I did tell my attorney that I personally do training for all our new hires that come into the company and use parts of this case to address it with them of how you need to escalate situations. I did share that with my attorney. I did share with my attorney that we have coding now placed on loans so that when Ms. May has an issue with a particular rep it can be routed to a manager or an AVP or a VP. We have that in our coding. It may not have been in our opening statements, but it is part of today's culture. These are items and initiatives that I put in place after my investigations, being deposed last year.

Q Last year?

A When we did the deposition.

Q May --

A May of --

Q Of 2015?

A -- 2015.

Q Four months ago?

A This year, 2015.

Q All right. And did you make any mention of there being any changes in communications or escalations in the frontline operatives who speak to borrowers in your deposition?
A Can you be more specific? I'm not following your question.
Q Yeah. I mean you're here telling this Jury that -- I mean what I see the problem is -- is that there's not enough communication going on and there's not adequate training on the front lines so that they can take care of people like her. They just look at the screen and say what -- repeat whatever it says. Does that sound fair to you that that's what was going on here at the time these folks were dealing with my client?
A That's what they were seeing, but there's a bigger problem than that. The problem is --
Q Okay. Well, let's talk about the problem just a moment.
A Okay.
Q So is it your testimony for this Jury that you didn't know -- even though the recording is being made, you didn't know until we asked you for testimony that this was a problem at Nationstar? Are you saying that you did not know until you listened to the recordings to prepare to give legal testimony in a lawsuit that these were issues at Nationstar?
A There was issues in this case, but you're saying issues at Nationstar.

Q Yeah, issues about the way people --
A One's interpreting --
Q -- issues about the way people are being treated when they aren't past due but the system says they are and you go ahead and treat them as delinquents. Was that not to your knowledge? I mean you had to have this lady file a lawsuit, and you had to read and get ready for a depo, prepare yourself before there were any changes made. Right?
A I understand where you're going.
Q Is that true?
A But if you could let me respond.
Q Is it true? Is it true?
A If you could let me respond.
Q It's kind of a yes or no question. Is it true?
A We had an issue.
Q Is it true?
A Repeat your question again. I'll try to give you a true or false.
Q Okay. Are you saying that you did not know that there was an issue with the way borrowers were being treated that requires this more training you're now telling us about here, even though your lawyer didn't? You didn't know about that until she filed this lawsuit; is that right?
A Are you using "issue as singular or plural?
Q I'm referring to however you characterize the things that

need to be addressed on the front lines of Nationstar when they're talking to borrowers.

A This issue was singular from my review, and the frustration on all parties, including ours, because I was sympathy (sic) to our employees also in addition to Ms. May.

Q So you did know about it before then is what you're telling us? You've always known this or what?

A No. I said --

Q You never knew then? Which is it?

MR. TILLOTSON: I'm sorry. I'm just going to object. Let the witness answer.

THE COURT: I would agree. Sustained.

Q (By Mr. Humphreys) Please try to answer my question, and I won't try to repeat myself.

A When I went to do the deposition in May of 2015 -- and I put it on record -- I interviewed employees. I went through procedures and policies. Part of my role at the company is to make changes. At one time with the company, I wrote our policies and procedures. Things change, and how things change is when you write a policy or procedure you try to imagine all events that could take place and then you write them, and then you have to adjust them because sometimes events slip through the cracks or some other event happens that makes you -- that I need to address this so it doesn't happen again. In this particular case, Ms. May was always with our SPOCs, and that is not where she should have been on a communication with. Our SPOCs -- just so you know what a SPOC is, it's a single point of contact, but it's a single point of contact as it relates to the CFPB rulings that state that if an account is 45 days past due the servicer has to assign a point of contact. The point of contact is identified as a person who has vast knowledge on loss mitigation, not research. Our research people, we train. They're -- they're trained to look at all the transactions, accounting transactions, preboarding information. Example like this was the pre- and post-petition payments, but Ms. May is on the phone talking to our SPOCs, who their number one skill sets are workouts. That problem is not going to get fixed until we either get this problem to a VP or get it to bankruptcy who understands what went down with the transaction from the Jeanne Hoyt situation. The problem isn't empowering the three loss mitigation people. They would have been fine if they were really talking to a borrower who was three to four months delinquent. They were approaching it to save their properties. They're given work queues to call because every one of those calls, they reach someone, and to get a financial package, that's one customer who may not lose their house to foreclosure.

Q Do you remember my question?

A Your question is, was I aware of the issue. I was aware of the issue on this case. I was not aware that we had a routing problem with a situation like Jeannie May. I would have thought why didn't it -- why didn't the AVP get on the phone, why didn't VP get on the phone because he could have the authority to simply address her needs, authorize a check, bring her current, and move on.

The frustration part was the same employees kept routing in a circular back to Ms. May and they kept using the same assumption that they were trying to look at the arrearage that was somewhat recent, that she was four or five payments down. Ms. May was proving that she made those payments. That's the disconnect. The disconnect wasn't those five payments. The disconnect was 2008 payments that were taken off the account from 2008 before Nationstar even became the servicer. That's vastly more complex than "You've just missed these last five payments." But when you apply payments in mortgage servicing and you remove them, you don't report to a customer, "You're due for December of 2015, but you owe for three payments from 2013." It works in consecutive order, which means if you take those three payments off in December of '13, it's going to bring accounts due three payments up to wherever you were contractually due before that adjustment. That was the confusion. That was the disconnect. The call needed to be directed to either a vice president, or it had to go back to bankruptcy.

Q Are you saying it was a complicated problem?

A It was complex. It wasn't beyond resolution. If it would have just simply -- one person. I needed a hero somewhere along the line, someone who could read the notes and put two and two together. Unfortunately, we didn't get a hero in that sequence of employees.

Q Does it take a hero to read your notes?

A No. It does take knowledge. Because when I interviewed the individuals that she talked to, it was Caroline, and I forget the -- the other employee. Not Nance but the other employee. They had all the good intentions. They were in my office, and I went through and showed them how easy it would have been to figure out Jeannie May's problem. It's two clicks would have brought in the customer service screens. It would have brought in the research screens and the bankruptcy screens, and it's right there in front of you. When they were responding back, they didn't access those screens. They were only accessing the collection communication screens, and this was a research/bankruptcy matter situation. If they just would have known how to do that.

Now, what I did -- I checked with everyone in the department. I went to every one of their managers, VPs, SVPs. I said, "Does everyone in your department know how to do this?" And all the managers said yes. All the VPs said yes. But I did get back to managers, though, that said I will implement to make sure every one of my people knows how to do this so that we don't ever have this situation again because sometimes you assume people know what they're doing until you actually talk to them and then you realize I need more training for this individual, and that's what I found out. They needed more training on how to handle it. It wasn't -- it wasn't that difficult. It was complex, but it wouldn't have been that difficult to figure out.

Q So why is it that you don't have your frontline employees at Nationstar able to speak to the research department or email them even?

A They can as of today. In -- the second individual that you put on that was deposed -- I think it was Nance. She says in SharePoint you can drop down and you can put the issues in and you put a checkmark in, and the checkmark says, "Please update your information," on our screen so that you can see it, but some of the comments were already there on Caroline. She just didn't know how to read them, and Nance didn't know how to access them. They were there. So the process did work. You could see that they were working the issues in research, and they were working it relatively quickly from the time that it was identified.

Q So do you think these three folks that we saw testify here that just happened to work on this one account -- were they rogue employees in the sense of not being trained like everybody else?

A My interpretation -- and I talked to them -- was how many accounts do you get in your queue on a daily basis where a customer says, "I made a payment, and you didn't post it," and in every case that I reviewed, it was relative early -- it was recent. It was, "I sent you last payment." Maybe it had the wrong digit of account number, and then research could find it and populate the notes. That's the normal part of research. This case -- think about it. This case -- we were asked from Citi to remove payments from 2008 that were overpaid by a trustee and do account adjustments to a second-line servicer and do all those retro adjustments.

THE COURT: You know, I hate to interrupt here, but can we do a question and answer format?

MR. HUMPHREYS: I was trying to get that down earlier.

THE COURT: Well, you're not really doing it. So you have to ask a question. You have to answer it. We really don't want speeches. Answer the question. You ask the question. We'll be here all day.

Q (By Mr. Humphreys) Okay. That's what I was thinking. I was hoping we'd speed this thing along. So if you -- I'll try to ask you a direct question. If you can give me a direct answer, that will make things go a little quicker here.

A I will.

Q Is it your testimony then that there are flaws in the research department, they were just unknown, and now they're going to be fixed because of this, what you've seen here?

A Re --

Q I should say flaws in the ability of the front-line operators to communicate with research.

A We have procedures in place to get better response. Obviously, you're always going to have to always improve your research group to handle unusual situations that you don't even know that may exist that will come to you.

Q Wasn't this as simple as the employees being able to go through the history, the front-line operators being able to go through the history and see the March 27th transaction?

A No. They would have needed --

Q Have you ever said that that was the case?

A They would have needed to see both.

Q Excuse me. Have you ever testified under oath that that was the case?

A If I did, I only left half the answer. Yes, you could --

Q Let's take a look and see --

A Yes, you could see it.

Q -- if I'm being fair to you.

A But it confirms it in the note on the same system.

Q Do you care? Does it matter to you if you gave testimony that was inaccurate previously in this action, in this case?

A I don't believe I did.

Q Do you want to take a look at it then?
A Sure.
MR. TILLOTSON: Your Honor, before we publish it, can he at least have a chance to see it so they can --
THE COURT: It's a deposition. Are you contesting that it's this witness' deposition?
MR. TILLOTSON: Could I just get a page and line cite?
THE COURT: Oh, yes. Absolutely. Absolutely.
MR. HUMPHREYS: Page 200, 4 to 13.
THE COURT: I'm sorry?
MR. TILLOTSON: Say it one more time.
MR. HUMPHREYS: Page 200, lines 4 to 13.
THE COURT: Hang on for a second. Let counsel find it. You okay over there?
MR. TILLOTSON: I am, Your Honor.
THE COURT: Okay. Go ahead.
Q (By Mr. Humphreys) Did you say that what should have happened -- you don't have to necessarily fax in the documents --
A Wait a second. I'm only seeing my answer. I don't see the question.
Q Okay. Does that help? Do you think the question will help you understand what you testified to?
A Yeah, because I like to know that I'm answering the same

question that you're asking me today.
Q Oh, well, not necessarily. I'm just asking if you've ever said that this was something that was as simple as having an employee read the collection screens, the history.
A Yes, but you didn't say --
Q Did you ever say that?
A I said collection screens. You asked me about transaction screens. That's why I was referring back.
Q Well, it says --
A You would want to look at the collection screens and transaction screen.
Q Well, it just says, "It was our employees should have been able to identify the March 27th transaction by looking through the history."
A Yes. If they look at just the collection history, that's all they need. That's all they would need to do.
Q Okay. And that wasn't done here?
A That wasn't done here because they didn't know how to access it.
Q And is it your testimony that the employees knew to do that, they just didn't, or what?
A The employees knew to do it. They just -- and they did it on the transactions that they could view. They didn't know how to view screens that they didn't have access to.
Q Okay.

A In reality, they did have access to it. They just didn't know how to access it.
Q Okay. And they didn't access it because they had too many files, too much responsibilities to get through their call queue; isn't that right?
A Absolutely wrong. That's absolutely wrong.
Q Okay. You don't think they were overworked then?
A No. But it takes the same amount of time to review this screen as I would in my normal day-to-day operations in loss mitigation. It's one keypunch that brings it up. It doesn't take more than one keypunch to access those notes.
Q Okay. Is it fair to say then as a result of this lawsuit there are no plans at Nationstar to allow the frontline operatives more time to deal with their customers, their borrowers?
A Well, you have to define -- when you say frontline, you'd have to be more definitive on what that is.
THE COURT: Whoa, whoa, whoa. We know what we're talking about. We're talking about the three ladies who just testified --
MR. HUMPHREYS: Right.
THE COURT: -- by video. So let's just answer the question.
A I understand, but frontline -- well, we're talking about them. They have certain -- they have certain queues.

THE COURT: That's what this is all about.
A But you talked to people in the 30- to 59-day that have different length queues than loss mit. Loss mit queues are set at 250 accounts. Queues that are -- and one of the girls worked in the zero to 29-day queue. Those have 1,000 accounts. So the more delinquent you come and whoever your SPOC is, the accounts that you're having as a SPOC are way down because those accounts are registered as at least three months past due.
Q (By Mr. Humphreys) Would you expect that a manager would have been able to detect this problem if they had looked into the system and find out there was an issue, a dispute at least, and be able to follow up and do more research?
A I would have expected when Caroline went up to see her manager that the manager should have got on the phone.
Q He should have figured it out?
A He should have got on the phone with the customer.
Q Okay. And that happened at least three times where there was a manager in the account in the summer of 2013, right?
A Right. I would have expected the manager to get on the phone.
Q Yeah. And that manager instead was looking at whether or not the modification was going forward? That's what he was doing, right?
A There's a note that that's what part of his job duties

were, but I don't know if that correlates to the same time he was asked to get on the phone.

Q Would you like to see? I can show that. Exhibit 2. 1821. 21.

Okay. Yeah. So is that true that on June 21st, 2013, D. Richardson was in the account, showing it was reviewed by a manager? June 21st, 2013.

A No. That's the follow-up. June 20th is the date. That's the date of the comment.

Q Okay. Okay. So on June 20th -- thank you. June 20th, 2013, we have manager D. Richardson reviewing the file. "See comments." Is that right?

A That's correct.

Q Let's roll over to the top of 1822, and what he's doing there -- his comment is, "Active trial -- valid hold." In other words, she's in an active trial, so hold the foreclosure. True?

A I'm sorry. What line are you looking at?

Q The very top line there after the column headers. "Active trial -- valid hold."

A Can you drop back to the other because that's cutting it off. Can I see what's on the screen before that page 24?

Q That would be the -- yeah. "D. Richardson. Reviewed by manager. See comments." And the comment is "Active trial -- valid hold."

A Okay. And then page up a little bit. I just want to see the timing of it. Was she on the phone at that same time? Keep going. Because that was at 4:44 in the afternoon. What time did the customer call in?

Q Well, we have -- keep rolling up a little bit.

A I -- see what I'm looking at is I wanted the manager to engage with the borrower on May 30th at 12:24.

Q Uh-huh. That didn't happen, did it?

A No. That's when I would have hoped it would happen.

Q And he was in the file, looking to see if there was a valid mod -- if there was -- if she was in a trial plan, a modification trial plan, right?

A No. He did that the following month. I would have wanted him to get on the phone and talk to Ms. May himself on May 20th.

Q If he'd have scrolled up eight or 10 entries, he'd have been able to see the issue, right? When he was in the file, evaluating it to determine that there was a modification in the works.

A But it's the timing. I was telling you that I would have wanted the manager to get on the phone at the same time he was talking to Caroline, who was having a problem understanding what was going on, to go get her manager and have her manager talk to Ms. May that moment. You're going days later when he's doing another task. I wanted him to engage with the

customer at that particular moment when she was upset.
Q So that's what you want. You wanted him to be more proactive in terms of helping people? Is that what you're saying?
A I would have expected it because he had access, direct access, to research.
Q But he gets a bonus, though, for the number of deals that are made, right, modification deals and other workout options?
A That's correct.
Q He doesn't get bonus to follow up on customer complaints, does he?
A We get assessed on complaint ratios on your department. So he's got skin in the game on issues that his team would have complaints against.
Q Does he get bonuses? Those follow-ups on customer complaints -- do those count like deals towards your -- you know, going up the tier to five?
A He gets incentives based on improvement of complaints. It's part of his bonus structure as -- as a manager and part of the executive team at Nationstar.
Q Okay. And this D. Richardson here -- did he have any other involvement in this account? Do you know? Was he ever her single point of contact?
A No. I did talk to D. Richardson as an interview.
Q Would this have been after your testimony was given in

this case?

A Yes.

Q Okay. He was the manager, right?

A Correct.

Q And he was in this account three separate times over three months in the summer of 2013?

A That's correct.

Q Okay. And there was some -- a statement by your attorney that -- that Nationstar doesn't make money by having loans in default. Did you recall that statement? By having loans in foreclosure and default?

A Yes. It actually costs us money. There's no revenues that are derived on a defaulted loan that we do not cure.

MR. HUMPHREYS: Your Honor, I'm going to use this self-authenticating document, Exhibit 215, Nationstar's filing, annual filing, with the Securities and Exchange Commission.

THE COURT: Okay.

MR. HUMPHREYS: And if I could direct -- pull up on the page, the top right-hand corner of page 28.

MR. TILLOTSON: Oh, I'm sorry. May I interpose an objection?

THE COURT: Yeah. Why don't you take it off the screen for a second.

MR. HUMPHREYS: Okay. Sorry about that, Your Honor.

THE COURT: That's okay.

MR. TILLOTSON: Can we approach?

THE COURT: Yes.

MR. TILLOTSON: Thank you, Your Honor. I appreciate that.

(A bench conference was held on the record and outside of the hearing of the Jury as follows:)

MR. TILLOTSON: I had an objection to this. My understanding was they were using this for net worth. If he wants to ask this witness about the net worth, that's fine, but I don't know what else he wants to do with this besides net worth.

THE COURT: It sounds like he's going to ask questions about the statement, the financial statement, as it relates to foreclosures.

MR. HUMPHREYS: It does say that -- yes, Your Honor. Footnote number 2 here indicates that ancillary revenues, which are 299 million dollars, are composed of late charges, modification fees, and other fees from borrowers and that comparing 2014 versus '13, that there was a primary reason for the decrease in revenues due to ancillary fees, but a secondary reason that's pointed out is "We also saw a decline in ancillary revenue principally due to the continued improvement of the servicing portfolio that resulted in less late fees and similar revenue." So they did -- they're telling their investors they took a financial hit because people are paying their bills.

THE COURT: Well, I guess you can ask him about that, but I don't see anything in there about foreclosures.

MR. TILLOTSON: I don't. I mean, for starters, we're getting into now --

THE COURT: Late fees is different than foreclosures.

MR. HUMPHREYS: Well, I said default. You know, it says --

THE COURT: Well, your question was: Does -- did your attorney in opening statement argue or state that the company doesn't make any money on foreclosures? And his answer was yes. Then you brought this document out.

MR. HUMPHREYS: Okay. All right. I'll ask some more questions then. Thank you.

THE COURT: Hold on.

MR. TILLOTSON: I want to reurge that if they're going to try and talk globally about all borrowers and that we have a motivation to treat all borrowers a certain way, then I should be allowed to get into the uniqueness of this particular person's circumstance because they are now whipsawing me by saying, "You can't say this was a specific situation, but we get to talk and say this is a global problem based on all borrowers."

MR. HUMPHREYS: I'm only talking about financial motive, Your Honor, which goes to bias.

THE COURT: Yeah, I see a distinction. I'll see where it goes, but make your objection as it comes along, and I may agree with you, but my point -- I understand what the objection is, but if he can find something in this document that indicates that there is money made by foreclosures, that certainly is in evidence.

MR. TILLOTSON: Thank you, Your Honor.

(The following proceedings were held within the hearing of the Jury.)

THE COURT: You may proceed.

Q (By Mr. Humphreys) So I guess the question on the table for me is: Does Nationstar make money by having borrowers in default?

A We do not.

Q Okay. You don't get the late fees?

A You get late fees if borrowers pay them.

Q Okay.

A I can go through what really drives the incentives for servicers, but if you do collect a late fee, that's part of our revenue.

Q Okay. Let me put up Exhibit 215 and direct your attention to some really kind of complicated accounting stuff, at least for me here. Take a look at Table 6 there, and there's a lot of information we don't need to pay much attention to, but I want to point your attention out to -- to one section here called ancillary revenues there. You see that?

A Yes.

Q Okay. And it has a footnote 2 there. You see that?

A Yes.

Q Let's roll down to what footnote 2 says there.

THE COURT: You might want to make that bigger. Maybe you can't on that. I'm sorry.

THE CLERK: You can do it on the --

MR. HUMPHREYS: Okay.

THE COURT: There you go.

Q (By Mr. Humphreys) And ancillary revenues are defined as late charges, mod fees, and other fees collected from borrowers. You see that?

A Yes.

Q All right. And then roll down here. This comparison of 2014 versus '13, and they're describing why there was a decline in revenues from the servicing segment of Nationstar, and what they're talking about there has no application to our case here, but if you go down a little further there, it says -- starting over -- move it this way. I can't see the whole text. You need to, I guess, make it smaller. Okay. Anyway, there's an indication -- 2014 versus '13, there's a revenue decline in servicing, and it's noted here, starting right here, that the decline was partially offset by increases -- I'm sorry. The next line. "We also saw a decline in ancillary revenues, principally due to the continued improvement in the servicing portfolio that resulted in less late fees and similar revenues." Right? So what that's saying right there is that ancillary revenues go down if people perform and their portfolio shows continued improvement, right?

A Just for those fees.

Q Right.

A And I would take those fees lower any day of the week because that means customers are paying, they're current, and we get our premiums based on portfolio performance, and if the customers are current, that's what drives our true revenue.

Q Okay. Well, maybe that's in here too. I didn't see it. Maybe your lawyer can bring that up here, but whatever it is, it's significant enough, it's material enough for it to be reported in the 10K that's being provided to their investors, right, explaining why there's a decrease in these ancillary fees because people are paying their bills?

A Well, one thing -- you're only -- you're picking one page out of an annual report. You really need to read the whole annual report. It's hard for me to give you a summary when you're giving me one paragraph of page 28.

Q All I'm pointing out, sir, is that you do in fact make money off of defaulted borrowers. It's a revenue stream.

A But you've got to look at this side. We also have the expenditure side that we don't get reimbursed for that offsets that auxiliary fee. If you take the expense side from foreclosure, you have more in expense than you get in auxiliary fee. It's not a money maker. It may look like you collected fees here, but you have a lot more outgoing expenses in servicing a defaulted loan. They don't pay for one another.

Q Okay. Okay. Let's roll up a little bit here. It may not be a lot of money to Nationstar, but what do you see here for 2014 ancillary fees in millions? 333 million dollars?

A That's correct.

Q Okay. Now, we can pull that down.

A I would like to add that also includes prepayment penalties. So when customers refinance because their interest rates go down, the servicer collects prepayment penalties. So the bulk of that is refinancing of customers going into a lower interest rate with another lender, and we get paid off. That's not -- that whole bucket is not late charges.

Q Okay.

A The late charges are a very small amount in there.

Q Okay. I guess it was important enough, though, for them to point that out in the financial statement?

A Yeah, because we're vulnerable to when the interest rates

go down, customers refinance their loans. If they can get two percent and they're on at four percent and they can find a lender to do two percent, we get paid off. We do get a portion if there's a pre-penalty that can be charged. It's a lump sum. It's a pretty good sized check. That's what's feeding that.
Q Okay. Well, for whatever reason, whoever put together this financial statement chose to place a footnote there and indicate that or to explain what the difference in revenues was because of the improving condition of the portfolio, that people were not in default. That's what they said?
A Right.
Q Okay. Let's talk about this complicated error here. Pull up 56, please. Did you testify -- I believe I saw it on the video; I know you'll correct me if I'm wrong -- that this whole thing started because this was a seasoned debt, an old -- I should say -- a seasoned transfer? From 2008 is when this thing was transferred over, right?
A Well, what I'm calling -- when I'm talking about seasoned, I'm talked about the payments were seasoned on the loans.
Q Okay.
A You're talking about doing account adjustments for customers who paid payments in 2008 and taking it off their accounts in 2012. That's -- that's what I'm concerned about

from the seasoning side. The money has already been on there so long; it's not a good idea to remove those monies from those accounts.

Q And Citi didn't follow the agreement. They had somebody at a lower level from bankruptcy department reach out to someone they knew presumably in Nationstar's bankruptcy department, and that was outside of the agreement under which Citi transferred those loans to Nationstar. Was that your testimony?

A That's my testimony, yes.

Q Okay. Let's take a look at this Exhibit 56 here. And we'll start on Nationstar 1725. On the bottom half of the page, please. It's also -- it's been printed as page 18. In fact, go over to the last page of the email, which would be 1726 there. Go to the very bottom of the page. And can you confirm for the Jury here that the very last part of the page, 1726 there -- roll it up a little bit. I guess down. There's nothing on the last page 19 -- 1726 -- until you get to the very top of the page and we see what looks to be a continuation of the previous -- the earlier page, right? You don't see -- do you see any -- does this appear to you to be the end of an email?

A I just see -- my screen just says, "Confidential." I can see the fax number and matt.baxter@nationstarmail.com and then the disclosure.

Q All right. Thanks. Roll up to 1725. And does that appear to be the start of this email that we just saw the end of?

A I don't know if it's the beginning email. This is like a chain email, so I don't know if I had the very first email, but I can follow with what you're saying to maybe determine it.

Q So, I mean, this is the 18th page and the first email. Is it your general experience that emails print in date order first in time to last in time?

A I don't know.

Q Okay.

A I mean I print them, and then I scan them.

Q Okay.

A It all depends, I guess, on how you put them in your scanner.

Q Okay. Well, what's the date of this email?

A It looks like it's January 8th of 2013 at 9:38 a.m., mailed to matt.baxter@nationstarmail.

Q Okay. It says "From," right?

A Right. It says, "From," but it also says mailed to Matt, Matt Baxter.

Q That's his mailing address. It says, "From: matt.baxter@nationstarmail," right?

A Yes.

Q Is that true?
A It just says, "From: matt.Baxter@nationstar.com," and says, "Mailed to: matt.baxter@nationstarmail.com."
Q Okay. Do you have any doubt, sir, that this is an email from Matt Baxter Nationstar to Vanessa at Citi?
A No. It's going to Citi.
Q Okay. From Nationstar?
A That's correct. He probably just wants to make sure he gets a copy of it.
Q Okay. And he's attaching a bulk check that was sent to Citi in 2008 from the trustee, and he's indicating that he knows that $51 of that amount was supposed to go towards Jeannie K. May's loan, and he includes her loan number, and he's saying, "I didn't ever see that applied to the loan," and he's asking Citi to check to see if the funds were misapplied to a different loan, right?
A Yes, sir.
Q Okay. Let's roll up to the next email. And let's go to 1724 where it starts there. And do you see a response there on Friday, January 25th, 2013, to Matt Baxter from Vanessa at Citi?
A I do.
Q And -- and she's passing along some information about the mistaken posting by Citi of this bulk payment from the trustee to a Jeanne G. Hoyt loan, right?

A That's correct.

Q And if you roll up there a little bit on the -- I'm sorry -- down -- we'll see Jeannie May's account there ending in 0143, $51, right?

A Yes.

Q So it looks like -- or let me say it this way. The truth is -- is that Nationstar started this by making contact with Citi about this issue; isn't that true?

A It looks like -- and I hope I'm not wrong. It looks like it was identified in our bankruptcy group that there should have been a $51 credit to Jeannie May's account, and we're responding to Citi, who then does a research and says, "Yes, it's part of bulk payments," and lists the whole bulk payments.

Q Well, contrary to what you said in your deposition and what I heard in opening, this didn't get started by Citi. Nationstar reached out to Citi about this issue?

A I identified the issue as being when it was paid, not the email exchange alone. The issue is how it was paid.

Q It was -- I understand you --

A The check went to Citi. We paid Citi the check. That's what I was referring to when I was talking about the issue with Citi.

Q Well, I understood you to say that -- in your deposition -- that this thing got started in the beginning

because Citi reached out at too low of a level; they reached out from bankruptcy to bankruptcy instead of going through acquisition, but the reality is that was Nationstar's bankruptcy department that reached out to Citi. Isn't that true?
A That's true.
Q Okay. And it was very apparent here as of January of 2013 what the deal was with this bulk payment and exactly how much should be applied to and not taken from Jeannie May's account; is that right?
A That's correct.
Q And this error you've described as complex is essentially someone not reading an email, right? They're not accurately reading the email?
A No. It's -- it's -- it's more than that.
Q Well, they took -- instead of applying $51 to her, they took out the whole 5,000 plus dollars from her, right?
A The error, as I recognized it, is they shouldn't have done any transactions to these accounts. If an amount of money was owed, the servicer should have just cut that check. The money was already seasoned on these individuals' loans for years, and from just a disclosure standpoint, to do all these reversals seems like it would set off a chain of problems, which, obviously, it did.
Q Okay.

A So it's not the human error of this. It's the human error of this should be directed to acquisitions and legal, and the servicer should just get their checkbook out and just credit the accounts, not take money off of other people's accounts.

Q Now, there is -- there is a -- I assume there is a checkbook at Nationstar, but there are also budgets, right, and some department is going to have to step forward and say, "I'll take the hit of this $5,000 out of my budget." Isn't that right? It doesn't just go to the, you know, general checking account ledger balance. It goes to some department. Some department would have to step up and take the hit?

A No, not necessarily.

Q You'd have to take a book loss, wouldn't you?

A You would take a book loss, but since this was a legal situation and it's a legal acquisition, legal has the powers to just write a check that basically spreads that amount across the whole company.

Q Okay. But for whatever reason, that didn't happen, did it?

A No, it didn't.

Q Okay. In fact, the loss of this matter here, this financial loss, was borne by my client; isn't that true?

A That's correct.

Q We're done with that.

Now, we heard some recordings from some of the folks who interacted with my client here, and I also heard your lawyer in opening statement speak to that your company, Nationstar, always acted in good faith, never intended to harm anybody. Right? That's your position?

A Our intentions were -- were good. We misinterpreted the facts, the facts on the case.

Q Okay. And Ms. May was very upset in some of those recordings; would you agree?

A Absolutely.

Q Okay. And she told -- Ms. May told Ms. Agyeman that she'd made every one of those payments, didn't she?

A She did so, and she did so professionally.

Q Okay. And did Ms. Agyeman, after that moment, have an honest belief that Ms. May owed the five months that were being claimed as delinquent?

A I don't know if she thought it was owed or not. Listening to that recording, she -- to me, when I heard it, she ceased the communication side and went right to the research side. She ceased asking her to pay it while the research was done. She just simply made sure, "Did you send it to research? Let me assist you to get this to research." The communications did not feel to me like we're talking about "You need to pay." It was all about "what we need to do to research your situation to try to get it corrected."

Q You didn't hear the other representatives demanding five months past due or telling her that she needed to get into a modification or she'd be subject to further actions up to foreclosure?

A You're saying words like "demanded." I heard, "My account's showing you -- you're five months delinquent," and Ms. May would say, "That's incorrect. That's not right. I'm current. I've told you you're current. I've told you you're current." Then the conversation would go to what we needed to do for research. It seemed to always take on that same tone, but I -- I -- I don't know if I missed something. I didn't hear one of our people say, "You have to pay. I'm demanding you pay. We're going to foreclose on you if you don't pay this amount." I didn't -- I didn't hear those words.

Q Well, isn't that what happened? You did in fact seek to foreclose on her house until the TRO was filed?

A The actions that we took were recognized like a default, and it was scheduled for foreclosure, yes.

Q I mean, you wrote her a letter telling her she was in default.

A We're required to. Under Fannie Mae guidelines, we have to do that as her servicer.

Q We'll get into that. But the truth is you told her she was in default, right?

A We did.

Q And you didn't know whether or not she was in default, did you? Because she said, "I'm not," and nobody ever followed up to figure it out?
A That's not necessarily true.
Q Okay. Who figured it out and when?
A When she got the default letter --
Q Who figured it out and when?
A If you look at the notes, when Paul Muller, shortly after the transaction up at the end of March -- I think it was April 27th of 2013. It was about 35 days after -- after that. It's been reviewed. It goes to the bankruptcy group, and there's a directive to Paul Muller to correct and bring the account current and remove those charges. To me, that's someone in the bankruptcy group recognizing the situation and doing the appropriate adjustments.
Q And so everybody who made a contact to Ms. May should have had access to that information, right? I mean, the company knew that the money wasn't owed, true? After he figured it out?
A I'm sorry. Repeat the question.
Q The company knew --
A The fact that she didn't owe the money --
Q The company knew, had figured it out that -- that Ms. May was not, in fact, past due?
A I can't answer yes or no because when Muller did that

transaction he thought he brought her current for that period of time. The -- the other letters that came out after that were months later. So Muller wouldn't know after that date if she would have kept paying current or not.

Q I guess the disconnect here is I'm talking about Nationstar, the company. I mean there's no -- there is no Mr. Nationstar, I assume, right?

A There was -- there was disclosure to us that came through Paul Muller that was aware there was an error, and Paul was to address it, which would have corrected the error.

Q Nationstar is a corporation, right?

A That's correct.

Q It has people that work for it?

A Correct.

Q It's owned by investors? Hedge funds --

A That's correct.

Q -- and other private folks? Is that right?

MR. TILLOTSON: Objection to the witness' lack of foundation as to --

Q (By Mr. Humphreys) Do you know --

THE COURT: Sustained.

MR. HUMPHREYS: Do you know if -- do you know if Fortress Capital, a hedge fund, owns more than half of Nationstar?

MR. TILLOTSON: Objection. Relevance, Your Honor.

THE COURT: Sustained.

Q (By Mr. Humphreys) In any event, the company hires people to work for it through the Board of Directors, right? I mean, there's a Board of Directors.

A Are you talking about the executives at Nationstar, or are you talking about bankruptcy representatives?

Q Well, we'll get there. There's a Board of Directors at Nationstar; is that true?

A Yes.

Q And the Board of Directors hires the President and some other key executives, right?

A They appoint them and select them, yes.

Q Okay. And those folks hire their senior staff?

A That's correct.

Q Which would include you?

A Correct.

Q All right. And then folks in your range, they hire everybody else in the company, right?

A Everyone has a supervisor or somebody to report to. Either they're doing the hiring or their supervisor is doing the hiring.

Q Okay. But there is no Mr. Nationstar; there is no one person that is Nationstar, right?

A I consider myself to be Nationstar.

Q Okay.

A As my role, I'm part of the company. I take it serious.
Q I'm not saying you don't take it serious. What I'm saying is that the company can only act through people like you and the other folks that we've heard from here in this case, right?
A That's correct.
Q And so you've got to have a system in place that if one person knows something it's got to be available to everybody who's going to take action on a particular borrower's loan file; isn't that true?
A Repeat that question because I -- I'd have to say no.
Q Yeah. If the corporation knows information about a particular loan, it has a responsibility to communicate that information or make it available to anyone who takes action on a particular borrower's file; isn't that true?
A No, that's not true.
Q Okay.
A You would have situations where, say, someone was in bankruptcy or they're deceased and we're doing property preservation because the property is abandoned. Our property preservation group wouldn't need to know that the person was deceased or they were bankrupt. They would need to only know that the property is vacant and they need to secure it, and that would be their role from the company. So it would be -- I guess the best way to answer your question -- if it's

relevant to what you're doing in your job to service that loan, you need to know.

Q Okay. I think we agree on that.

A Yes.

Q Okay. So -- so the company does have an obligation to find ways to communicate with its folks so that if someone's taking action on a file, if there's something important like, say, her bills are paid and she's current, wouldn't everybody in the company who takes action against her need to know that?

A They would need to know how to get the information or where they need to direct the customer to with her issue.

Q Right. And it didn't happen here, did it?

A Yes and no.

Q Well --

A They sent it to research. There was evidence that research did review it and that they attempted to do the fix that Paul Muller would have done. If that fix takes, we have no problem, but it didn't take. We did review it in research, though. That's how Paul got the account to do the correction because it got escalated to the head of bankruptcy who put notes on the account to bring the account current. That should have fixed it.

Q Okay. And now, Ms. May told Nationstar repeatedly -- the people she spoke with -- that she was current, had paid all of her obligations to Nationstar; isn't that right?

A That's correct.
Q And is there anything more she could have done with -- with communicating with Nationstar?
A I was -- in 30 years, I was truly impressed with her ability to stay as composed as she did and on topic and try to continue to give us information. I have no fault for the way she conducted. The only thing I said in my deposition. I wish she would have demanded to speak to a vice president, at least someone higher than the individuals she was talking to, but I'm not faulting her for that. We're responsible to know the escalations to the vice president. She doesn't need to know that, but she was an excellent customer. She handled this problem exactly the way I would hope a customer would address it, to give us the better opportunity to fix it.
Q Well, wasn't she told, according to what we heard on the recordings, repeatedly that she was assured that they would get their managers involved and they would be involved in it; they would look into it?
A They did.
Q She was told that?
A Yeah, the managers did look into it.
Q So you think she still should have demanded to speak to a manager even though she was told?
A No, I'm not -- I don't want you to think that I want her to do anything. She did everything I would have expected. I

would have rather expected our people to escalate it up above a manager. I'm holding our people accountable, not Ms. May, for this.

MR. HUMPHREYS: Let's go to Exhibit 40. It's a letter. Your Honor, I think this is not objected to. Is that right?

THE COURT: Got it.

MR. HUMPHREYS: No objection?

THE COURT: Exhibit 40?

MR. TILLOTSON: I don't believe I've -- that's right. I don't believe I've objected. If I have, I withdraw it.

THE COURT: Okay. Got it. Thank you.

MR. TILLOTSON: No problem.

Q (By Mr. Humphreys) So let me direct your attention, if I could, to Exhibit 40. Is that a letter that Ms. May sent to Nationstar in August of 2013?

A I'm looking at the one August 21st, 2013, identified as a qualified written request.

Q Okay. And did she have some pretty specific questions if you look at page 2 there? And by the way, you've seen this letter before, right?

A I have, but I'd still like to review to make sure that I'm seeing the same document.

Q All right. Let's give you a chance to do that then. Let's give him the first page. Do you want to read the whole

thing?
A I'll read it quickly.
Q Okay.
A Okay.
Q Page up.
A Page up. Okay. If you could page up, please.
Q So did Nationstar treat this letter as a qualified written request?
A I would have to see our transaction history.
Q Okay. You don't know?
A Not off the top of my head because I did see notations that we did receive a qualified written request. I just want to make sure is it recognizing this one.
Q Okay.
A It would be in the communication, collections communication history.
Q Okay. Nationstar did receive this, right? Do you know if they received this letter?
A Yes, I remember reading it.
Q Okay. And she raised her questions clear and to the point, right? She made her dispute known to Nationstar?
A Yes. I -- I understand her questions.
Q Okay. And she asked two questions. "Where do you come up with the $6,300 balance?" And two, "How come you raised my payments almost $1,000 a month, $999.45," right?

A Yes.
Q Okay. And do you recall Nationstar's response to that? Exhibit 41.
A I need to see the transaction history and the exhibit.
Q Okay. So this letter, on its face, says -- on September 3rd -- this Plaintiff 41 -- that it's a response to the August 21st, 2013 letter we just looked at, right?
A I'm sorry. So you're showing me the letter that we sent back?
Q Yeah. I'm showing you that that says it's a response.
A Well, I thought you asked me if we responded to it. You have the letter.
Q I'm asking, yeah, if you knew.
A Yeah. I just want to make sure that I'm on the same time frame that you're in because there was qualified written requests that occurred at a later time. I just want to make sure before I answer that I'm answering to the correct moment in time.
Q Okay. So as of September 3rd, 2013, did Nationstar write this letter responding to my client's August 21st, 2013 request for information?
A Yes.
Q Okay. Let's roll through the letter there. And is this a form letter? The response.
A Not necessarily. I mean there's -- I've seen different

written -- qualified written requests.
Q Okay.
A Some could be "I need insurance policies." You know, there could be other things. "I need an appraisal." There could be other things in a QWR.
Q Okay.
A This is -- this is about she's looking for accounting, she's looking for escrow analysis, validation of why she's being billed what she's being billed.
Q Is there more than one form letter? Is that what you're saying, depending on what the nature of the dispute is?
A Based on the nature of the dispute.
Q Okay. And is the form letter here when someone asks about the payment history to -- to send a form letter with this information in it?
A Let me read it.
Q That's up to you. Do you need to read it to answer my question?
A Yes. I'd like to see what's on the bottom of the letter.
Q Okay. Okay.
A You can page down again. And if you could page down some more.
MR. TILLOTSON: Your Honor, if I may interrupt, if I may approach, could I just hand him a copy? It may help.
THE COURT: Yeah, that might help.

MR. TILLOTSON: May I approach?

THE COURT: Sure.

MR. TILLOTSON: Thank you.

THE COURT: Thanks.

MR. TILLOTSON: It's also marked VV, but it's the same document. Thank you.

MR. HUMPHREYS: Thank you.

Q (By Mr. Humphreys) Let's go back up. Right there. So tell me when you're done looking through the letter, the response letter, September 3rd, Exhibit 41.

A Can I see the letter again, so I can just review her questions one more time before I answer?

Q Okay.

MR. WALLACE: Is it okay if I approach, Your Honor, just to give a copy?

THE COURT: Yes, yes.

Q (By Mr. Humphreys) Let's go back to -- don't worry about that. Just make it full-size. So now you've had a chance to look at that. Could you show the Jury where -- in Exhibit 42 -- where Nationstar told her -- explain where Nationstar explained how they got to the past-due balance of $6,382?

A They're showing that in the transaction history.

Q Show me where in the transaction history you see that at. Is this the transaction history that's up on the screen?

A Yeah, but it's sideways.

Q Is that the way it was sent to her?

A Are you asking me did we send it to her sideways?

Q Yeah.

A I don't know. I don't know if we emailed it or --

Q I mean, is that the way they produced it to her? I mean, you're not complaining, are you, that it's hard to read?

A I thought it was mailed out.

Q I mean, did they mail -- was the transaction history sent to her printed off sideways?

A It's not something I looked at, but when you print off our printers, it does print straight up and down. If it came sideways, it's a printed document; she could have just turned it.

Q Okay. So maybe it was just turned over in litigation to us sideways because you see the stamps are on the bottom. Anyway, that's not a huge deal. Anyway, the transaction history shows where you explained to Ms. May how she was 6,300 and some dollars past due?

A Before I answer this, just so I'm on the same page with you, is she inquiring why she's past due at or about the time of August 21st, 2013?

Q Well, I'm just asking you to answer my question.

A Because she's talking about 2012, 2012.

THE COURT: Why don't we do this. Here's what's on the table. What is on the table is a letter written by the

Plaintiff to your company asking two questions. The question this attorney is asking you was where in your response did -- was that question answered. I don't really know what more we need to know. Does it show it? And if it isn't there, it isn't there. If it's there, show us. Is that the only attachment to this letter? Is that it?

MR. HUMPHREYS: No.

THE COURT: So there's additional attachments?

MR. HUMPHREYS: Yes, Your Honor. There's a copy of the note --

THE COURT: Okay.

MR. HUMPHREYS: -- and the mortgage.

THE COURT: But this is the only attachment that deals with the finances of the loan?

MR. HUMPHREYS: Yes, Your Honor.

THE COURT: All right. So the answer is what?

MR. TILLOTSON: I'm sorry, Your Honor. I'm sorry. There's two attachments. There's one for Citi, and there's one for us.

THE COURT: Got it.

MR. TILLOTSON: Interspersed between the note, just so we're all on the same page.

THE COURT: Yeah. Okay. I don't mean to be confusing. I'm just trying to get an answer to the question so we can move on.

MR. HUMPHREYS: Thank you.
THE COURT: And the answer is?
A Well, my --
THE COURT: The question is: Where is it? I mean, I'm not trying to argue. I'm just trying to get the answer, so we can move on to the next issue. Where is it answered?
A She sent it on August 21st, 2013. She says, "as of now," so I'm interpreting that as of now, August 21st, 2013, she's delinquent, and we sent her -- we sent her all transactions that would be included. From what I have here, the answer would be "no" because I don't see where we sent the pay histories that would address the area that she was talking about in August of 2013.
Q (By Mr. Humphreys) Essentially, you sent her a form letter with a bunch of materials printed off -- a copy of the note, a copy of the mortgage, and a copy of the payment history -- and told her to take a look at it for herself and, you know, figure it out. Right?
A Yeah. We should have -- we should have included the escrow analysis because she was asking for the escrow adjustments, and we should have had the payments that went all the way through the date of her letter, which is not there.
Q There's no explanation in there about why she owes the money that you said at Nationstar that she did owe; is that true?

A That -- that would be true.
Q Okay.
A Based on what I'm reviewing.
Q And has that policy changed -- the sending out form letters to people with payment histories attached to them, notes, and mortgages? Has that process been changed?
A We do -- like I said at the beginning, we do all types of qualified written requests. Some customers just want qualified written requests for their mortgage and their note or the appraisal. It depends on what the request is.
Q So it sounds like you believe it's a good process and it continues through today.
A No. What I say is: Answer the customer's inquiry. If they want to know and want their records, answer them. Don't template anything. Treat it as an individual situation. What are they asking for, and what are you delivering? Are they satisfied, or they're not satisfied, and it gives them an 800 number to call.
Q Okay. Let's take a look at another one of these. Let's pull up 106. Is that a March 10th, 2010 letter from Jeannie May to Nationstar?
Can I get you to --
A Yes, yes.
Q Could you commit to that one?
Okay. Now, I won't make you go through all the letter

because -- just in the interest of time here, but she has a lot of narrative information here. At the end, she asks two questions again.

"Please explain in full how you arrived at a past-due balance at this time of $13,846.80?"

And "Please explain your increase in my monthly payment?"

Do you see those two questions asked?

A Bear with me for a second. I understand your questions.

Q Okay. And she's attaching information, including information, monthly payment histories from Nationstar and her proof that she was current when she exited the bankruptcy in January?

A Can you page those up?

Q Okay. Yeah. You don't have to commit to too much. I'm just asking you to say did she send information with it. That's good enough. We can move on if you'd agree to that.

Okay. Then let's take a look at Exhibit 107. Is that a letter the same date, March 10th, 2014, essentially by an amendment by Ms. May to her earlier letter of the same day? She's saying here that "I told you in my first letter that -- that Nationstar did accept my Check 1019 for my March 1, 2014 payment," but she had discovered it wasn't cashed. She's notifying you of that at Nationstar?

A Yes.

Q Okay. And then if you roll over to -- let's go to

Exhibit 108. And is that a letter from Nationstar, dated March 19th, 2014, in the first paragraph saying, "It is a response to your correspondence dated March 10th, 2014, which concerns the above-referenced account that were brought to our attention"?
A Can you page up?
Q I mean, I'm just asking you to identify it.
A Yes.
Q Okay. And who was the letter mailed to? Who was this letter that Jeannie May sent -- who was it mailed back to?
A David Gunn.
Q That was the prior bankruptcy attorney that had represented her in the 13, right?
A Yes.
Q Okay. And that's on March 19th, 2014. They're saying on that they'll get back with her within 30 business days except where otherwise required by state law, essentially, just telling her that they received the letter and will be in touch?
A Yes.
Q And then if you could put up 109, Plaintiff's 109. That's, essentially, the same letter? Well, let me ask it a different way, make it easier on you here. This is a letter from De'Marco Jefferson at Nationstar to Jeannie May this time, at her address in Overland, Maryland, right? Missouri?

A Yes.
Q And this one's dated April 24th, and they're asking for a little bit more time because the bankruptcy department is verifying information?
A Yes.
Q And we have her single point of contact at this time is Derrick Richardson, right?
A That's correct.
Q He was noted as the manager on the file who was reviewing it for the three months over the summer, right?
A That's correct.
Q And is that the guy you spoke with, the gentleman you spoke with -- Mr. Richardson?
A I did speak with him, yes.
Q Okay. And he's the manager of the bankruptcy department?
A He's the manager in loss mitigation.
Q Okay.
A When I interviewed him.
Q Okay. And then if we can take a look at Plaintiff 110.
Is that a letter dated May 8th, 2014, from Nationstar, same gentleman, Mr. De'Marco Jefferson, to Ms. May?
A Yes. That was our response. What was the date on that at the top?
Q May 8th, 2014. Do you see that?
A Okay. I'm trying to remember --

Q Do you see that?
A Yes, I do. I was trying to remember the date that she first sent her request in. How many days that --
Q It was on March 10th.
A March 10th. Okay.
Q And this May 8th letter here from Mr. Jefferson says, "We want to confirm that we did receive your bankruptcy information and the account was placed into active bankruptcy status," and that's dated May 8th, 2014. Isn't that what Nationstar is telling my client?
A Okay.
Q Is that what he said?
A Yeah, it seems like he's putting a bankruptcy hold on it.
Q Okay. "We received your bankruptcy information, and the account was placed into active bankruptcy status." What does that mean at Nationstar?
A Well, he's putting it in active bankruptcy status because he's doing these bankruptcy adjustments. So it's not -- it's only in the status so that he can do the adjustments. It's not -- it doesn't mean the bankruptcy case is still open. He's trying to reconcile those bankruptcy transactions that were -- that occurred in error. So he's putting it in the bankruptcy status so it doesn't -- all the other departments don't get confused. He's going to do the transactions and then take it out of bankruptcy status when he's completed.

Q Okay. In the paragraph above that, he's talking about the 5,100 and some dollars that Nationstar took off of her account, right?

A That's correct.

Q And he's saying that $3,600 of it, approximately, is being applied to her delinquent payments?

A That's correct.

Q They weren't delinquent payments, were they?

A They weren't delinquent payments as it related to Ms. May. They were delinquent payments as they related to our accounting were showing them as delinquent. So he's posting them to those accounts, but I don't want to mislead. They were never -- she was never delinquent. What he's referring to her -- he's applying to the arrearage of our ledger.

Q Okay. So there's a difference between being delinquent and having payments applied to delinquent -- having your money applied to delinquent payments?

A Yeah. The payments as they were shown in our ledger are showing delinquent. They weren't delinquent, but until we clear those with postings and bring the account current, they're going to continue to populate delinquent.

Q Okay. And there's $1,534 approximately being applied to corporate advances. What -- what corporate advances was Nationstar paying itself?

A I don't recall where that money was adjusted.

Q Is that part of the money that should have been written off in the bankruptcy?

A I -- I don't know.

Q Okay.

A When I reviewed this account --

Q And the -- the -- to be clear here, this letter is dated May 8th of 2014. This is months after she had to sue to stop the foreclosure, right?

A I understand that, but I also --

Q Is that true -- what I said?

A She had to file a restraining order, yes.

Q The whole thing, that this letter is being sent on May 8th, 2014, which is months after she had to sue to stop the foreclosure?

A That's correct.

Q You were going to say something else.

A I said when I looked at the reconciliation of it, I noticed in November of 2014 that her account was totally current, there was no additional charges, and she was in the contractual status of what she should be, and I -- I don't -- I don't see any other situations outstanding with her account. I reviewed it even today. I have no legal fees. I have no late charges. I have no corporate advances. Nothing is on her account but just her principal and interest and escrow, and she's due for December. There's no -- nothing outstanding.

Q Okay. I was trying to get to what you were telling her as of the date of this letter in May of 2014, and you're telling her that her account is due for October 1, 2013, in May of 2014. So is that right?

A So I'm sorry. Repeat that same question.

Q Yeah. You're -- Nationstar -- not you, but Nationstar is telling her on October 1st, 2013 -- excuse me. In May of 2014, you're telling her that she's due all the way back into the fall of '13, October 1, 2013, right?

A When we -- when we completed all the transactions on that, the account, I believe, was four payments past due. There was already monies sitting to be posted on the account. There was a correspondence from Mr. Healey that happened in October of 2014, and the only thing that was left on that account -- it was due for November of 2014 in October. So everything was reconciled between that period of time in May and October and November because the only thing that was left was to give Ms. May access online so that she could make her payments.

Q So I missed one part of this letter that you wrote her. Nationstar did in May of 2014. The sale date for her home was stopped due to the automatic stay of the bankruptcy. That's what Nationstar is telling Ms. May in May of 2014, right?

A I'm sorry. What -- where are you looking at? Are you looking at the letter or transaction?

THE COURT: It's underlined in red.

MR. HUMPHREYS: Yeah, that part.

A Anytime you have a bankruptcy code on the account, it's going to stop the foreclosure.

Q (By Mr. Humphreys) All right. Let's go to 111, please. Is that another letter Ms. May sent -- May 24th, 2014, this time -- to Nationstar?

A Yes.

Q And we can see by the control stamps on the bottom that Nationstar received this letter because it produced it back to us, right?

A Yes.

Q And she's saying that she wants it to be treated as a request for information and notice of error. Right? Is that right?

A Yes. Can I just see the date?

Q Sure. It's May 24th, 2014. Do you see it?

A Okay.

Q Okay. I'm not going to go through all the contents of it. I'll leave that to the Jury later if they choose to do that. Exhibit 111. But there's paragraph after paragraph here of information Ms. May is providing, right?

Do you remember my question?

A I apologize. I was reading the letter.

Q Okay. I won't go through every paragraph of this, but there's quite a bit of requests for -- there's quite a bit of information being provided, and then she ends the letter by saying, "I expect all of my requests, including this letter, to be honored." That's what she wrote on this May 24, 2014 letter.

Do you see that at the end of the letter there, where she's saying, "I expect all my requests to be honored"?

A Yes, I do.

Q Okay. And then if I could have you take a look at Plaintiff 112. A week later, June 2nd, 2014, Nationstar responds. Again, it's Mr. De'Marco Jefferson, down in Irving, Texas. He's saying in the second paragraph there, "We have forwarded your request to our legal department, who will be handling your request accordingly." Right?

A Yes.

Q And I don't see a response to this letter. Have you ever identified one in your investigation of this file, this matter?

A I would have to look at our transaction history to see if one was out there. I don't recall, but I affirm if it's in the transaction log, I would address it there if it was sent out.

Q Okay. Let's take -- take a look at Exhibit -- Exhibit 47. Is that a letter dated December 19th, 2013, from Bob

Healey to Nationstar or -- excuse me -- to your lawyers, Martin, Leigh, Laws & Fritzlen?

A Yes.

Q "Attention: Foreclosure Department"? Is that right?

A Yes.

Q Over in Kansas City?

A Yes.

Q And he's writing the law -- that's Nationstar's law firm, right?

A They're doing work for Nationstar through Fannie Mae. It has to be -- law firms have to be approved by Fannie Mae to be used for their portfolio.

Q Okay. Okay. There's been some discussion of Fannie Mae in this case. I want to clear one thing up here. Do Fannie Mae guidelines require you at Nationstar to properly account for borrower funds that have been paid over to you? Does Fannie Mae guidelines -- there's been some discussion about their expectations, their requirements, their guidelines. Simple question: Does Fannie Mae expect Nationstar to properly account for borrower funds?

A Yes.

Q And did you do that here?

A Not in a very timely manner.

Q Did anybody at Fannie Mae ever tell Nationstar they needed to foreclose on Ms. May?

A Did anybody at Fannie Mae tell Ms. May?
Q Tell Nationstar that they needed to foreclose on Ms. May's home?
A It's -- it's -- the directive is given to us in our agreements with Fannie Mae as the servicer. The servicer conducts itself -- those functions -- through the agreement. It's not an individual loan basis where it says, "Go ahead and do this on this." You're responsible that if it's this part delinquent, then you proceed. If it's in a modification status, you do not proceed. If it's in bankruptcy, you do not proceed. There's stops on them if -- when you can foreclose and when you cannot foreclose.
Q So no? So "no is your answer?
A I don't understand the question because we act on behalf of Fannie Mae as the servicer. Fannie Mae does not service their loans. We do for them.
Q Okay. And is there a person at Fannie Mae that you can tell this Jury about who's the one that said, "Take this lady's home"?
A It's -- it's -- it's the agreement that we have with Fannie Mae. It's part of -- we're required to post her payments. We're required to do her escrow. And granted, there was a lot of errors here. It's no doubt. But we are the party that is accountable. We are a servicer. We make mistakes. We made a lot of them here, and I'm -- I take it

very personal. I'm addressing everything I possibly can so things never happen again, but as far as our relationship with the investor, we are the investor as it relates to Fannie Mae as the servicer. We don't own the loan. We don't receive the income from the loan. We are -- but we do act in their shoes as the servicer and represent them from a standing perspective.

Q Okay. And they pay you to do that?

A Yes, they do.

Q And you agree to do certain things like properly account for her funds? That's -- you have other obligations as well; is that true?

A For every customer, right.

Q And there was some testimony you gave earlier about being a Five STAR Fannie Mae servicer? Is that right?

A Yes.

Q What does it take to be a Four STAR servicer?

A The Five STAR servicer, I can tell you. I've never been a Four STAR servicer, so I don't know what the criteria is for that.

Q Okay.

A Five STAR servicer -- your strongest attributes that they're evaluating you is your ability to find workouts for homeowners who are losing their homes. It's a big driver on the home affordability modifications. That's what really drives your score. How many homeowners can you save from foreclosure?

Q Do you feel like you did that for Ms. May, that you performed Five STAR service for her under Fannie Mae's protocols?

A No.

Q Okay. And in fact, what you did to Ms. May -- was Fannie Mae even aware of that, so that they could consider it when it came time for them to give you five stars?

A It's evaluated on our entire performance. We service two and a half million loans.

Q Yeah. So it would be part of a data submission, I assume, a large data submission -- whatever happened to her?

Well, let me ask you this. Has anybody at Fannie Mae seen any of the testimony that's been developed in this case and presented to this Jury?

A No, they haven't.

Q Okay. So let's go back to Exhibit 47 here.

THE COURT: You know what? Before you get into that, we're going to take a break for the evening, unless you -- I don't want to rush you. You're not close to -- are you close to being done? If you are --

MR. HUMPHREYS: Yeah, there's a credit reporting issue, but I'm just about done with the correspondence. So it might be wise to take a break, and I'll wrap it up in --

THE COURT: Yeah, we'll do that.

MR. HUMPHREYS: -- 20 minutes in the morning, Your Honor.

THE COURT: Yeah, we'll do that. You can step down. Thank you.

THE WITNESS: Thank you, Your Honor.

THE COURT: Okay. Ladies and gentlemen, again, you're instructed not to discuss the case. Don't form or express any opinions about the case. Don't let anyone discuss the case in your presence. We'll try to start at 9:00 tomorrow morning. If you all can be here before quarter to, that would be helpful. Thank you.

(Court adjourned at 4:50 p.m.)

CERTIFICATE

I, Gayle D. Madden, Registered Diplomate Reporter and Certified Realtime Reporter, hereby certify that I am a duly appointed Official Court Reporter of the United States District Court for the Eastern District of Missouri.

I further certify that the foregoing is a true and accurate transcript of the proceedings held in the above-entitled case and that said transcript is a true and correct transcription of my stenographic notes.

I further certify that this transcript contains pages 1 through 81 inclusive.

Dated at St. Louis, Missouri, this 10th day of April, 2016.

/s/ Gayle D. Madden
GAYLE D. MADDEN, CSR, RDR, CRR
Official Court Reporter